

MAY 07 2007

NEBRASKA DEPARTMENT
OF INSURANCE

CAUSE NO. C-1603

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. Consec Health Insurance Company, Cause Number C-1603 on October 17, 2006. A copy of the petition was served upon the Respondent, at the Respondent's address registered with the Department by certified mail, return receipt requested.

2. The petition alleges that Respondent violated Neb. Rev. Stat. §§44-1524 and 44-1525(1)(a) as a result of the following conduct:

- a. On February 14, 2006, a complaint from James Spilinek was received by the Nebraska Department of Insurance. Pursuant to that complaint, Barbara Ems, an Insurance Investigator with the Nebraska Department of Insurance, initiated an investigation.
- b. Pursuant to that investigation, it was discovered that Spilinek wanted to change to individual health coverage due to the passing of his wife. Respondent received the request on or about August 15, 2005. According to Respondent, the original downgrade was effective August 20, 2005, but should have been effective June 20, 2005. In a October 10, 2006 letter to the Department of Insurance, Respondent admitted that due to an administrative process change to the policy, it took one or two days for the information to cycle in their system. While corrective the effective date of the downgrade to reflect June 20, 2005, all processing was backed off the system. This resulted in a plan status change from individual to family, as it was originally issued. It was during this time that a bank draft was taken at a family rate, which was incorrect. This deduction from Spilinek's account occurred in November of 2005 and the money was not refunded to Spilinek's account until November 16, 2005.

3. Respondent was informed of the right to a public hearing. Respondent waives that right, and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving its right to a public hearing, Respondent also waives its right to confrontation of witnesses, production of evidence, and judicial review.

4. Respondent admits that it violated Neb. Rev. Stat. §§44-1524, 44-1525 (1)(a).

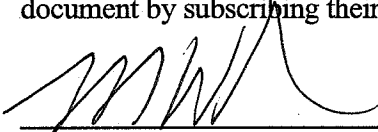
CONCLUSIONS OF LAW

The conduct of Respondent, as alleged above, constitutes violations of Neb. Rev. Stat. §§44-1524, 44-1525 (1)(a).

CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed to by Respondent, that Respondent shall pay an administrative fine in the amount of two hundred and fifty dollars (\$250). The Respondent has thirty days from the date of approval of this consent order by the Nebraska Director of Insurance to pay the two hundred and fifty dollar fine. The Nebraska Department of Insurance shall retain jurisdiction of this matter for the purpose of enabling the Department to make application for such further orders as may be necessary.

In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing their signatures below.



Martin W. Swanson, #20795
Department of Insurance
941 "O" Street, Suite 400
Lincoln, Nebraska 68508
(402) 471-2201

7 MAY 2007

Date

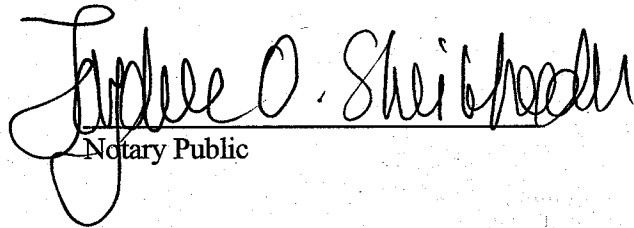
 SVA
Conseco Health Insurance Company

3-26-2007

Date

State of INDIANA)
) ss.
County of HAMILTON)

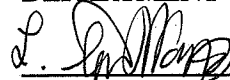
On this 26th day of MARCH, 2007, Conseco Health Insurance Company personally appeared before me and read this Consent Order, executed the same and acknowledged the same to be his voluntary act and deed.


Notary Public

JAYDENE O'DONOGHUE SHAIKHADEH
NOTARY PUBLIC STATE OF INDIANA
HAMILTON COUNTY
MY COMMISSION EXP. NOV. 5, 2009

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the
Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs.
Conseco Health Insurance Company, Cause No. C-1603.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



L. TIM WAGNER
Director of Insurance

May 7, 2007
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the executed Consent Order was sent to the Respondent at
11815 N. Pennsylvania Street, P.O. Box 1911, Carmel, IN 46032, by certified mail, return receipt
requested on this 8th day of May, 2007.

